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Technology Fast 500™

Host: Hanish Patel, User Friendly Host and Digital Transformation Leader, Deloitte Consulting LLP

Guests: Brad Hollister, CEO of SwanLeap
Mohana Dissanayake, partner and leader for Deloitte's North America Technology Fast 500 Awards Program

"If you're looking for very fast-growing companies that are on the leading edge of innovation, disrupting the technology industry, and changing how we live, work and play, The Fast 500 is clearly the place to be. "

*I'm **Hanish Patel** and this is User Friendly— the show where we explore emerging trends in tech, media, and telecom, and how they impact business, operations, and the world around you.*

Hanish Patel:
What does it mean to be a fast-growing tech company in 2019? For most it's the steady year-over-year increase in revenue and productivity. But what about the fastest-growing tech company? Well, for our next guest, it means a staggering 77,000 percent growth over three years. That's right, 77,000 percent growth and

becoming the fastest-growing private company in North America. That company is SwanLeap, a Wisconsin-based logistics company, and their extreme growth was recognized by The Technology Fast 500, a leading technology awards program that acknowledges the fastest-growing public and private tech companies in North America.

On this episode we'll be discussing the fast-growing companies that are defining the cutting edge and transforming business, innovation, entrepreneurship, and rapid growth to disrupt the

technology industry. Joining me today are Brad Hollister, CEO of SwanLeap, and Mohana Dissanayake, partner and leader for Deloitte's North America Technology Fast 500 Awards Program. Brad, Mohana, welcome to the show.

Brad Hollister:
Thanks for having me.

Mohana Dissanayake:
Thanks for having me, Hanish.

Hanish Patel:
Awesome. So let's just jump straight into it. Mohana, over to you for the first one. The Fast 500 Awards program is celebrating its 25th anniversary this year, which I believe is the silver. I could be wrong, but we'll get that fact checked as well. Mohana, can you give our listeners a quick overview of the program?

Mohana Dissanayake:
The Deloitte Technology Fast 500 is the leading technology awards program in North America, so that includes both the United States and Canada. So this program is a program that recognizes entrepreneurship, innovation, disruption, and when it comes to innovation and disruption, I think they tend to be two sides of the same coin, so to speak. And then frankly, it's also recognizing at its heart companies that are scaling their organization to support very, very rapid growth.

So if you're looking for very fast-growing companies that are on the leading edge of innovation, disrupting the technology industry, and changing how we live, work, and play, The Fast 500 is clearly the place to be. And from the program standpoint, the program is open to both public and private companies. The requirements are pretty simple, so we look at growth rates over a three-year period, which means the company has to be in business at least four years and the first year's revenue of at least $50,000 and the last year's revenues of at least $5 million. And then probably the most important requirement

is that the majority of revenues should be generated through the use of a technology-driven product or service or something that's tied to intellectual property. And then of course the last requirement is that the company should be headquartered in North America.

Having said that, though, we do have sister-brother programs in both EMEA and Asia Pacific as well. So it is a global program in that sense. And as you can imagine, most of the household names in technology have been on The Fast 500 list over the last 24 years. Google to Amazon. Just as a point of reference, in 2001 the fastest-growing technology company in North America was a company called eBay, and in 2004 it was Google, and in 2012 it was Tesla. So, Hanish, hopefully that, that gives you some perspective and some background on the program.

Hanish Patel:
You know, that's fantastic, Mohana. You covered all something I was absolutely about to ask next in terms of these companies that are going for The Fast 500. I'm sure with only in a short matter of time they're going to be household names, and you mentioned just a couple of those, which moves me nicely on to Brad. I mean, I'd love to know a bit more about SwanLeap and by that I'm sure soon enough it's going to become a household name, if not already for a number of people but, given that SwanLeap was number one, I mean, the fastest-growing company in 2018 on The Fast 500, I'd love for you to tell our listeners a little bit more about SwanLeap itself.

Brad Hollister:
Well, thank you. So first and foremost, SwanLeap is a logistics technology company that provides end-to-end visibility. And a lot of people asked me, how did you come up with the idea? And I would say that it's not an idea, it's a complete re-envisioning of what global supply chain is.

So to this day supply chain managers will typically go to their global planning departments, their analysts, and put together their supply chain plan for the year and then they load into their technology, which basically does a glorified look-up in how to operate a supply chain. And if you start to think back about what a supply chain is, you know, supply chain, the notion of supply chain, was really born out of the era as a result of the ERP introduction maybe in the 1970s. And so suddenly a transportation management solution, a TMS, was needed at the end of the product life cycle so that they could close out an order and trigger an invoice. If we start to look back at that era, that was about all the technology that existed. The ability to load in your logic into a table and let the table perform. Suddenly, the infrastructure that companies have, even in the last two years if they've invested in supply chain technology, it actually could really inhibit their ability to perform and pivot in the event that adverse conditions present themselves.

So shipping is very complicated. For major companies there is a different process for parcel shipments, there is a different process for less-than-truckload shipments, there is different processes for truckload freight and intermodal, and even international is a whole other mess for most companies.

If you're running a major e-Commerce company and you shipped maybe a million packages a day, which is a lot, and you came in on a Tuesday, it might be nice to know what you shipped on Monday, or if you came in on a Monday, it might be nice to know what happened over the weekend. There is not a company in the world today in 2019 that could tell you that information because the data is so big and so hard to work with and we're dealing in legacy environments such as table-based decision making.

SwanLeap's technology not only simplifies all that, but we really start to use artificial intelligence to receive orders, take the criteria of the shipment, use and leverage artificial intelligence to connect to all of the suppliers, and then return the optimal way to ship something, inbound or outbound, so that's very unique to any other technology in the world.

Hanish Patel:
Brad, it sounds like there is a lot of companies are doing this, but they're using a myriad of technologies, some of those dated, some of those right up to the cutting edge, if not bleeding edge, of what technology is offering us.

Mohana Dissanayake:
I think Brad mentioned that it's not just an idea, SwanLeap is sort of a re-envisioning of the supply chain, right. I think that's a really critical concept in terms of how technology companies get disrupted. Where we see, like in the Fast 500 list, you would see companies that have sort of completely reimagined a technology stack that was kind of the go-to product for a while, so I think cloud computing might be a case in point where there are a lot of legacy companies that have on-premise software and they are trying to sort of incrementally re-architecture their products to deal with the cloud world without that much success, whereas you have new entrants coming in and they want to re-imagine everything from the ground up for a cloud-based world and that's going to be wildly more successful.

You know, SwanLeap is a B2B company, but what's interesting is that technology is no longer just industry vertical. I think technology has gone horizontal in some respects, and changing and even sort of maybe disrupting, as I said before, how we live, work, and play. So what's interesting is that we are seeing the emergence of what we call digital platform companies, right, that are creating technology platforms that are changing how we book hotels, how we go on vacations, how we travel,

transportation, how we bank and make payments, and buy and sell real estate, so you kind of get the picture, right.

So when I walk home on certain days, I see 12 boxes of shoes lined up and my wife will kind of go through and she will take one or two and then she will send 10 back and then in another two days, there will be 12 more that comes in. I think Brad's kind of enabling my wife's shoe habit with the supply chain software and logistics and tracking that he is enabling. I think it is definitely enabling my wife's shoe habit so.

Hanish Patel:
Brad, there you go, success isn't great for everybody, right? You're getting blamed now.

Brad Hollister:
Yes, one of the things that I think is important to note as part of this discussion is when you pick up even the *Wall Street Journal* today is covering a new freight forwarder that has just raised a bunch of money and is looking to do something kind of wiz bang and cool. And what's happening right now is I think everybody would agree that Internet and AI is changing the way we work and play and live of course, that's exactly right, but how we attack the problem, we all have very different viewpoints, including many of the people in the logistics space.

Hanish Patel:
Brad and Mohana, if I think about just the myriad of technologies that the both of you have mentioned that are being applied and utilized and I think about the 25 years The Fast 500 has been going on, no doubt there has been again a wealth of different technologies that have been used in the past by different companies and different winners, and unpacking all of that data, Mohana, I'm sure that there's probably been from previous winners, there's

probably been some interesting trends or even potential surprises that have come forward, and love to know a little bit more about maybe some of the winners or surprises that you've seen over the past 25 years of The Fast 500?

Mohana Dissanayake:
That's a great topic, Hanish. The Fast 500, as we've discussed, is turning 25 years this year, right. So if you put that into a human life-span context, that's about a generation, right. So I would actually frankly call the history of The Fast 500 the software generation, and let me unpack that, right. So because when I joined the firm in the early 90s, the technology industry was actually not even an industry by itself, it was kind of tucked away as high-tech in the manufacturing industry, and part of that was, that was still the era of hardware, right, software was sort of still coming into its own. I mean, there were software companies but, but technology was really more of a hardware play. But that started changing in the 80s and clearly going into the 90s, right, and so when we started the program in '95, software was really coming into its own, and that's really been the headline and the story, Hanish and Brad. If you look at as of 2018, it was the 23rd consecutive year, so basically there was only one year where software was not the number one sector in The Fast 500 program.

If you look at last year in '18, so 64 percent of the winners were software companies, 17 percent were biotech, pharma, and med-devices companies, and then about 12 percent in the digital content media entertainment, right. And so that's been very, very consistent clearly over the last 25 years, so software is really the biggest headline. And I think software will continue to be very relevant because if you look at—and also we talked about a lot of the buzzwords, right, things that I—if you look at some of the interesting areas that are evolving: artificial intelligence, machine learning, big data and related analytics, robotics, so on and so forth, right. So all the interesting words that are getting

thrown around today, so they have very interesting names, interesting descriptions, but if you look at the magic behind them, it's all software. These all are software-driven products or services, right, and just like SwanLeap is a software company but it's using AI and block chain to power its products, right. So I think software is going to continue to be very dominant going forward. And on top of this, I introduced the concept of this digital platform companies, right, that's creating digital platforms that sort of that touches and permeates all of our activities throughout the day. Those companies are powered by software, as well. So I think when it comes to some of the transformations going on right now, I think we are, to use a baseball analogy, we are probably in the first half of the first innings, so there is a lot to go, and I think software is going to be pretty dominant.

Hanish Patel:
And then, Mohana, keeping with your analogy of kind of first half of the first innings, any surprises you've seen in that first half?

Mohana Dissanayake:
Not really. I think, I think one of the stories to be sort of looking out for and again we talked about the buzzwords and the interesting topics like artificial intelligence, block chain, so on and so forth, right. So, the big question I have, and I don't have the answer to this and I would love to hear Brad's perspective on this as well, is what I don't know is are these—if we look at artificial intelligence and block chain, robotics, so are these potentially stand-alone companies or can you create potentially industries around these or is it more of a niche product that kind of plugs into a larger company sort of asset set or whatever. So that's a big question I have, which I don't know the answer to.

Brad Hollister:
Yeah, from our perspective, we're seeing a lot of companies emerging in the connectivity and the tracking arena, and I think that causes a lot of problems if you

start looking at a holistic solution. First of all, when you have a system that is maybe based in an older database structure or an older code base, it's going to be tough to process the kind of capabilities that maybe one of these new companies has, but one of the challenges is our staff, right, and how do we keep up with a programmer, there is such a demand for programmers around the world now.

So I think that is a very, very difficult thing to, a hurdle to overcome, because you're not going to be able to have the connectivity in the legacy platform that you need, and on the other hand, you're not going to have the kind of revenue from a company within auxiliary technology would need to support itself because it should be an expectation or foregone conclusion that the new supply chain technology you buy has that connectivity.

We're seeing a ton of these new, very bright entrepreneurs with really good ideas but really are bells and whistles on top of what should be standard that isn't in the industry. So it does live as an opportunity today for these companies to exist, but as these top technologies in the supply chain start to sunset and new companies start coming to take their places with better, more powerful platforms, the ability to roll out new functionality integration it's down to like a day rather than a year. There is a company in the market that's excited about the fact that they are doing integrations in month, not years, globally. Well, we can do that in a day, one day, global supply chain integration, as opposed to months or years.

Hanish Patel:
Yes, I mean no doubt, that's such a powerful value proposition, right. I mean, any conversation that says what takes years or months, we can do in a day, people got to perk up to listen to that one for sure. I mean, one of the things then you talked about a little, a hurdle and challenges and what you just said, so let's take them and given SwanLeap itself, and

again I go back to that number 77,000 percent growth, right, that is incredible growth over the last few years. What's been the hardest part of that? There must be some challenges that you had with that rapid growth.

Brad Hollister:
Yeah, staffing has been very difficult because what kind of—like right now, where we're at today even we're now more than a year past the time when we had the growth, right, we've still been experiencing faster growth as a result of it. What kind of person do we hire at SwanLeap with the 100 employees, right. Do we hire a former CEO to come and work with us from maybe a major freight company? I don't know that he or she would be ready to take out the garbage still, right. In many cases, we're still small company that has to be nimble and flexible and you may have to do things outside your job description, but yet we need someone with experience that's going to be able to talk to a major automotive company. I mean, this is a very difficult where we're looking at solving these problems and staffing is definitely a very big piece of that, but how do we automate faster and faster the ability to bring on clients, that's that other piece that we've continued to have difficulty with. So we're kind of a victim and beneficiary of a good market, right, of a good economy because with good economy brings the ability to buy our stuff but makes staffing challenging as well, so that's by far the biggest piece.

Hanish Patel:
And no doubt, I mean, there must be the upside, though. Tell me a bit more about the best part of that growth?

Brad Hollister:
It's really nice when people know who we are and at trade shows and things, people seek us out. They've maybe heard about the hype and wanted to see what led to the growth and what's in it for them. That's really been great. The ability to sit on panels and be able to evangelize this new supply chain vision, it has been a wonderful result of this as well. So really getting that platform to tell our story and

listen to new ideas and new perspectives. It's really kind of interesting when someone starts to think they're really giving us a hard line of questioning, well, how do you handle this, and how do you handle this, and these are all things that we've heard before or very seldom do we get something new, but when we do get something new or a new problem that a company is having it's—we really cherish that because we can't pretend to have the answers, we can't pretend to have everything, we have to listen not only just the people we're doing business with but maybe even the people that are interested in us so that we have a platform that's very flexible for all types of companies and challenges.

Hanish Patel:
What advice would you give to other tech companies that are experiencing incredible growth and extreme growth like SwanLeap? What are the kind of steps that these companies can take to ensure that this growth remains sustainable, right. I mean, they're going to get these challenges, you talked about staffing, they may have some technology challenges as well, but how do they maintain and how do they make sure they're sustainable with the growth that they're experiencing?

Mohana:
So the dirty secret in technology is that the best technology does not always win. It's very often that we now tend to be a company that has good enough technology but has a team that completely out-executes the competition. So from that vantage point, and I've kind of seen this happen over and over again, especially in Silicon Valley, because at any given point you may have four, five, even 20 companies sort of pursuing the same technology, right, and the winner invariably comes down to you got something that's working, that's good enough, but the team is exceptional.

So I think building the right team and, on top of that, the right culture, I think is absolutely critical because technology can be replicated but culture is a little bit more difficult to copy and paste, so to speak.

And Brad talked about the challenges of hiring and getting the right people in, right, that sort of creating the right culture where people want to come and be part of the journey, I think is very, very, important.

Hanish Patel:
And, Brad, any thoughts from your side on that one?

Brad Hollister:
Yeah, the advice I would give to other entrepreneurs, whether in our space or others, is to do that hard thing, the right thing is always the hard thing. One of those pieces of advice that I heard time and time again out of Silicon Valley we decided not to follow and that advice was build one product, one solution, one technology, and find customers to fit that, and then if they don't fit then move on. Well, we've done the opposite, and I think that the proof is in the pudding. I think we made the right decision. Maybe not all industries that's good advice, but for us, the supply chain, the message is very crowded, and I think by actually listening to the client and solving their individual problem is really what led to the growth, because there isn't a company in the world that's doing it that way.

So that was the challenging thing because I'm reading from people that successful people that have stories telling us to do it one way, but our gut was telling us to do it the other way, which is a lot less profitable, a lot harder, but it was definitely the right thing and gave us that platform that we need to evangelize this new vision. We didn't set out to make this vision when we started the company, we set out to save companies money, but along the way we learned lots of problems and lots of holes in the market, and voids in functionality that we were able to fill and so, we're supported by those voices.

Hanish Patel:
So then with that, Brad, well, what would you say is next for SwanLeap then?

Brad Hollister:
What's next for SwanLeap right now is continued expansion into new markets. I

I mean, the challenges that we have here in the United States with logistics exist everywhere in the world. And it's a very difficult thing to do to pull off correctly moving into an era where we have global visibility. So we're seeing e-commerce has hardly even been born in parts of the world yet, and we can't imagine the legacy technology that existed in the '90s to help launch e-commerce.

So we think, imagine launching 40 countries in a day. We can do that, right, and our best competitors, we've yet to learn who they are because they don't exist yet. And so we see that new era coming rather than, can you imagine sending two engineers to every one of those locations, I mean, just the cost alone, but the time, the restrictions, the hurdles to getting a system integrated would be very difficult, and we think we're in a new era where this can be nearly push button.

Hanish Patel:
I look forward to seeing that, how this pans out, no doubt, for you guys at SwanLeap. Given the growth that you've had, no doubt it's going to move in the right direction and continue to do so. So with that, what I'd like to do, Mohana, is maybe end with you. How can companies get involved, some of our audience listeners out there may want to get involved and become the next honorary winners like SwanLeap, so how would they do that?

Mohana Dissanayake:
Hanish, that's actually pretty simple, it's an online application process, and there is a very, no pun intended here, a very user-friendly website called Fast500.com, and you can do the online application on the website. The application period is now open. It will close on June 28, and so I would encourage anyone who is interested to go check out The Fast500.com and apply online.

Hanish Patel:
Fantastic, that's brilliant. I was really excited about having both of you on this podcast, and I can't thank you enough for the insights that you've both brought. So with that, I want to thank both of you, Brad and Mohana, for joining me today, and until next time, happy listening.

Brad Hollister:
Thank you.

Mohana Dissanayake:
Thank you.

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